

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Annual Financial Report

December 31, 2011

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WALTER P. REED  
DISTRICT ATTORNEY  
WASHINGTON - ST. TAMMANY PARISHES  
22ND JUDICIAL DISTRICT



WASHINGTON PARISH  
905 PEARL STREET  
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## Management's Discussion and Analysis December 31, 2011

The Management's Discussion and Analysis of the District Attorney's financial performance presents a narrative overview and analysis of the District Attorney's financial activities for the year ended December 31, 2011. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the basic financial statements, which begin on page 9 and the accompanying notes to the financial statements, which begin on page 16.

### FINANCIAL HIGHLIGHTS

1. The District Attorney had cash and investments of \$1,286,438 at December 31, 2011, which represents a decrease of \$216,948 from the prior year. The District Attorney also had receivables of \$65,258 at December 31, 2011, which represents a decrease of \$123,524 from the prior year.
2. The District Attorney had accounts payable and accruals of \$196,624 at December 31, 2011, which represents an increase of \$109,634 from the prior year.
3. The District Attorney had total revenues of \$3,762,818 for the year ended December 31, 2011, which represents a decrease of \$165,176 from the prior year.
4. The District Attorney had charges for services of \$1,487,842 for the year ended December 31, 2011, which represents a decrease of \$198,877 from the prior year.
5. The District Attorney had operating and capital grants of \$2,259,670 for the year ended December 31, 2011, which represents an increase of \$33,483 from the prior year.
6. The District Attorney had total expenditures of \$4,190,167 for the year ended December 31, 2011, which represents an increase of \$206,508 from the prior year.
7. The District Attorney had capital asset purchases of \$27,948 for the year ended December 31, 2011, which represents a decrease of \$8,631 from the prior year.
8. The District Attorney had no debt service payments for the year ended December 31, 2011, which represents no change from the prior year.

### Overview of the Financial Statements

The following graphic illustrates the minimum requirements for the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as established by Governmental Accounting Standards Board Statement 34, Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments.

Management Discussion and Analysis

Basic Financial Statements

Required Supplementary Information (other than  
MD&A)



## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### Capital Assets

At December 31, 2011, the District Attorney of the Twenty-Second Judicial District had \$140,537, net of depreciation, invested in furniture, equipment, and vehicles. This amount represents a net decrease (including additions and decreases) of \$ 56,233 from the previous year.

### Debt

The District Attorney of the Twenty-Second Judicial District had no outstanding debt at December 31, 2011.

## **VARIATIONS BETWEEN ORIGINAL AND FINAL BUDGETS**

General Fund Revenues were revised downward in large part by the decrease of 14.4% of actual commissions on fines and forfeitures received compared to the prior year and Special Revenue Funds Revenue was revised downward when an anticipated 30% increase in diversionary program fees that did not materialize.

Special Revenue Funds expenditures were revised upward as a result of the District Attorney having to pay significant operating expenses that were previously paid by St Tammany Parish government.

## **EXPECTED FACTORS AND NEXT YEAR'S BUDGET**

The District Attorney of the Twenty-Second Judicial District considered the following factors and indicators when setting next year's budget. These factors and indicators include:

1. Fees, fines, and charges for services
2. Intergovernmental revenues (federal and state grants)
3. Personal services expenses
4. Operating services expenses

The District Attorney of the Twenty-Second Judicial District does not expect any significant changes in next year's results as compared to the current year.

## **CONTACTING THE DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT OF THE STATE OF LOUISIANA'S MANAGEMENT**

This financial report is designed to provide a general overview of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's finances for all those with an interest in the government's finances and to show the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District Attorney of the Twenty-Second Judicial District, Justice Center, 701 North Columbia Street, Covington, LA 70433.

These financial statements consist of three sections – Management’s Discussion and Analysis (this section), the basic financial statements (including the notes to the financial statements), and required supplementary information.

### **Basic Financial Statements**

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9 and 10) provide information about the activities of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as a whole and present a longer-term view of the District Attorney’s finances. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

The Statement of Net Assets and the Statement of Activities report the District Attorney’s net assets and changes in them. You can think of the District Attorney’s net assets, the difference between assets and liabilities, as one way to measure the District Attorney’s financial health, or financial position. Over time, increases or decreases in net assets may serve an indicator whether the financial position of the District Attorney of the Twenty-Second Judicial District is improving or deteriorating.

Fund financial statements start on page 11. All of the District Attorney’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District Attorney’s general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District Attorney’s activities as well as what remains for future spending.

### **FINANCIAL ANALYSIS OF THE ENTITY**

Net Assets of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana decreased by \$427,348 or 24.8% from the previous year. The decrease is the result of operating and non-operating expenses exceeding operating revenues and depreciation exceeding new capital outlays during the year ended December 31, 2011.

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana’s total revenues, net of transfers, decreased by \$165,176 or 4.2% from the previous year. The total cost of all programs and services increased by \$205,781 or 5.2% from the previous year.

# Justin J. Scanlan, C.P.A., L.L.C.

A LIMITED LIABILITY COMPANY

4769 ST. ROCH AVE.

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## INDEPENDENT AUDITOR'S REPORT

The Honorable Walter P. Reed  
District Attorney of the Twenty-Second Judicial District  
State of Louisiana  
Parishes of St. Tammany and Washington

We have audited the accompanying financial statements of the governmental activities and each major fund of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana as of and for the year ended December 31, 2011, which collectively comprise the District Attorney of the Twenty-Second Judicial District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of management of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana, as of December 31, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2012, on our consideration of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit

performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 6 and pages 33 through 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133 *Audits of States, Local Governments, and Non-Profit Organizations* and is also not a required part of the financial statements. The Schedule of Expenditures of Federal Awards is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Justin J. Scanlon, CPA, LLC*

New Orleans, Louisiana  
June 22, 2012

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Statement A

STATEMENT OF NET ASSETS

December 31, 2011

ASSETS

Cash and Cash Equivalents	\$ 1,286,438
Receivables	65,258
Capital Assets, net of Accumulated Depreciation	<u>140,537</u>
 TOTAL ASSETS	 <u><u>\$ 1,492,233</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Liabilities	\$ 196,624
Seized Assets Held	<u>-</u>

TOTAL LIABILITIES	196,624
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NET ASSETS

Invested in capital assets	140,537
Unassigned net assets	<u>1,155,072</u>

TOTAL NET ASSETS	<u>1,295,609</u>
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TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 1,492,233</u></u>
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The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington

Statement B

STATEMENT OF ACTIVITIES  
For the Year Ended December 31, 2011

		Program Revenues		Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Unit
FUNCTIONS/PROGRAMS				
Governmental activities:				
Public safety	\$ 1,050,716	\$ 1,487,842	\$ -	\$ 437,126
Health and welfare	3,139,451	-	2,259,670	(879,781)
Total governmental activities	4,190,167	1,487,842	2,259,670	(442,655)
General Revenues:				
Interest and investment earnings				7,757
Gains on disposition of asset				7,550
Total general revenues and special items				15,307
Excess of expenses over revenue				(427,348)
Net assets - January 1, 2011				1,722,957
Net assets - December 31, 2011				\$ 1,295,609

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
December 31, 2011

Statement C

	General Fund	Special Revenue Fund	Total
	<u>          </u>	<u>          </u>	<u>          </u>
ASSETS			
Cash and Cash Equivalents	\$ 1,038,251	\$ 248,187	\$ 1,286,438
Receivables	63,183	2,075	65,258
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL ASSETS	<u>\$ 1,101,434</u>	<u>\$ 250,262</u>	<u>\$ 1,351,696</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 49,737	\$ 146,887	\$ 196,624
Seized Assets Held	-	-	\$ -
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES	49,737	146,887	196,624
FUND BALANCES			
Non-spendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	1,051,697	103,375	1,155,072
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL FUND BALANCES	<u>1,051,697</u>	<u>103,375</u>	<u>1,155,072</u>
	<u>          </u>	<u>          </u>	<u>          </u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,101,434</u>	<u>\$ 250,262</u>	<u>\$ 1,351,696</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
December 31, 2011

Total Fund Balances - Governmental Funds			\$ 1,155,072
Cost of Capital Assets at December 31, 2011	\$ 1,320,976		
Less: Accumulated Depreciation as of December 31, 2011	<u>(1,180,439)</u>	<u>140,537</u>	
Total Net Assets at December 31, 2011 - Governmental Activities			<u>\$ 1,295,609</u>

The accompanying notes are an integral part of these financial statements.



DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
For the Year Ended December 31, 2011

Statement D

	GENERAL FUND	SPECIAL REVENUE FUNDS	TOTALS
REVENUE			
Commissions on fines and forfeitures	\$ 880,130	\$ 400	\$ 880,530
Use of money and property-interest earnings	7,757	-	7,757
Grant from Louisiana Department of Social Services:			
Reimbursement of administrative costs	-	1,184,807	1,184,807
Grant - Law Enforcement	-	44,586	44,586
Grant - Victim Assistance Program	-	137,062	137,062
Grant - Juvenile Comm. Svc. Program	-	-	-
Grant - Fatherhood	-	-	-
Grant - Hurricane Katrina-Infrastructure	-	-	-
Grant - Article 562 Grant	-	-	-
Grant - Elder Abuse	-	32,273	32,273
Grant - Career Criminal	-	5,343	5,343
Fees - Fees account	-	143,647	143,647
Fees from various entities	189,811	-	189,811
Diversionsary program	88,815	663,536	752,351
Other revenue	21,528	48,015	69,543
Asset forfeiture revenue	69,543	-	69,543
Bond forfeiture	238,015	-	238,015
Gain on disposition of assets	7,550	-	7,550
TOTAL REVENUE	<u>\$ 1,503,149</u>	<u>\$ 2,259,669</u>	<u>\$ 3,762,818</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUE, EXPENDITURES AND  
CHANGES IN FUND BALANCES  
For the Year Ended December 31, 2011

Statement D  
continued

	<u>GENERAL FUND</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>TOTALS</u>
EXPENDITURES			
General Government - Judicial:			
Salaries and Related Benefits	\$ 251,610	\$ 2,865,970	\$ 3,117,580
Travel	1,089	32,330	33,419
Materials and Supplies:			
Office	165,555	66,733	232,288
Automobile	284,111	(3,211)	280,900
Capital Expenditures	16,568	11,380	27,948
Other Expenditures	265,117	176,681	441,798
TOTAL EXPENDITURES	<u>984,050</u>	<u>3,149,883</u>	<u>4,133,933</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 519,099	\$ (890,214)	\$ (371,115)
OTHER FINANCING SOURCES (USES)			
Operating Transfer In	-	844,579	844,579
Operating Transfer Out	(844,579)	-	(844,579)
Total Other Financing Sources (Uses)	<u>(844,579)</u>	<u>844,579</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	(325,480)	(45,635)	(371,115)
FUND BALANCES AT BEGINNING OF YEAR	<u>1,377,177</u>	<u>149,010</u>	<u>1,526,187</u>
FUND BALANCES AT END OF YEAR	<u>\$ 1,051,697</u>	<u>\$ 103,375</u>	<u>\$ 1,155,072</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
For The Year Ended December 31, 2011

Excess (Deficiency) of Revenue and Other Sources		\$ (371,115)
CAPITAL ASSETS		
Capital Outlay Capitalized	\$ 27,948	
Depreciation Expense	<u>(84,181)</u>	<u>(56,233)</u>
Change in Net Assets - Government Activities		<u><u>\$ (427,348)</u></u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

As provided by Article V, Section 26 of the Louisiana Constitution of 1974, the District Attorney has charge of every criminal prosecution by the state in his district, is the representative of the state before the grand jury in his district, and is legal advisor to the grand jury. He performs other duties as provided by law. The District Attorney is elected by the qualified electors of the judicial district for a term of six years. The Twenty-Second Judicial District of Louisiana encompasses the parishes of St. Tammany and Washington.

**A. Reporting Entity**

As the governing authority for reporting purposes, the District Attorney of the Twenty-Second Judicial District of the State of Louisiana (The District Attorney) is the financial reporting entity, the primary government. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The Governmental Accounting Standards Board (GASB) has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Organizations for which the District Attorney does not appoint a voting majority, but are fiscally dependent on The District Attorney.
  - a. the ability of The District Attorney to impose its will on that organization.
  - b. the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on The District Attorney.
2. Organizations for which the reporting entity's financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The District Attorney includes all funds, account groups, activities, et cetera, that are within the oversight responsibility of the District Attorney as an independently elected official. As an independently elected official, the District Attorney is solely responsible for the operations of his office, including fiscal and management responsibilities. Other than certain operating expenditures of the District Attorney's office that are paid or provided by the Police Jury of

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED**

**A. Reporting Entity - Continued**

Washington Parish, and by the Parish Council of St. Tammany, as required by Louisiana law, The District Attorney is financially independent. The accompanying financial statements present financial information only on the funds maintained by the District Attorney of the Twenty-Second Judicial District.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) and the fund financial statements comprise the basic financial statements. Both government-wide and fund financial statements categorize the primary activities. All of the activities of The District Attorney are classified as governmental.

The statement of Net Assets and the Statement of Activities provide information about the reporting government as a whole. These statements include all of the financial activities of The District Attorney.

In the Statement of Net Assets, governmental activities are presented on a full accrual, economic resource basis. Net assets are reported in three parts; invested in capital assets, net of any related debt, if any; restricted net assets; and unrestricted net assets. The District Attorney has no restricted net assets.

The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

**C. Basic Financial Statements – Fund Financial Statements**

The financial transactions of The District Attorney are reported in individual funds in the fund financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions of activities.

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED**

**C. Basic Financial Statements – Fund Financial Statements - Continued**

*Fund Accounting*

The District Attorney uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The District Attorney only uses governmental funds.

*Governmental Funds*

Governmental funds are those through which most governmental functions typically are financed. Governmental funds reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purpose for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

*New Reporting Requirements*

The District Attorney adopted the provision of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements, and Management's Discussion and Analysis (MD & A) for State and Local Governments for the first time this year. The District Attorney will be treated as a governmental-type activity for financial reporting purposes. The requirements for The District Attorney established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis, (b) Basic Financial Statements, and (c) Required Supplementary Information (other than MD & A).

*General Fund*

The General Fund is the primary operating fund of the District Attorney and it accounts for all financial resources, except those required to be accounted for in other funds. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District Attorney policy.

*Special Revenue Fund*

Accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes, are designated by the District Attorney to be accounted for separately. The special revenue funds of the District Attorney of the Twenty-Second Judicial District consist of the following:

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-CONTINUED**

**C. Basic Financial Statements – Fund Financial Statements - Continued**

- Title IV-D Fund – consists of reimbursement grants from the Louisiana Department of Social Services, authorized by Act 117 of 1975, to establish family and child support programs compatible with Title IV-D of the Social Security Act. The purpose of the fund is to enforce the support obligation owed by absent parents to their families and children, to locate absent parents, to establish paternity, and to obtain family and child support.
- Worthless Checks Collection Fee Fund – consists of fees collected in accordance with Louisiana Revised Statute 16:15, which provides that the District Attorney receives from the principal to the offense, a prescribed amount upon collection of a worthless check. The funds may be used only to defray the salaries and expenses of the office of the District Attorney, and may not be used to supplement the salary of the District Attorney.

*Fiduciary Funds*

Fiduciary fund reporting focuses on net assets and changes in net assets. The only funds accounted for in this category by the District Attorney are the agency funds. The agency funds account for assets held by the District Attorney as an agent for other government entities. These funds are custodial in nature and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but do use the modified accrual basis of accounting. The agency funds of the District Attorney of the Twenty-Second Judicial District consist of the following:

- Asset Forfeiture Fund – is used as a depository for assets seized by local law enforcement agencies. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.
- Restitution Fund – is used to refund to those harmed from worthless checks.
- Bond Forfeiture Fund – is used as a depository for bonds forfeited to the District Attorney's office. Upon order of the district court, these funds are either refunded to the litigants or distributed to the appropriate recipient, in accordance with applicable laws.



DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 1 –SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES- CONTINUED**

**D. Budget and Budgetary Accounting**

The District Attorney prepares and adopts a budget each year for its general and all special revenue funds in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the full accrual basis of accounting. The District Attorney amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budget amounts by five percent or more. All budget appropriations lapse at year-end.

**E. Cash and Cash Equivalents**

Cash – includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents – includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rate. Generally, only investments that, at the day of purchase, have maturity date no longer than three months qualify under this definition.

**F. Investments**

Investments are limited by R.S. 33:2955 and the District Attorney's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

**G. Receivables**

All receivables are reported at their gross value and, where applicable, are reduced by the estimated portion that is expected to be uncollectible.



DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

**H. Bad Debts**

Uncollectable accounts receivable are recognized as bad debts through the establishment of an allowance account at the time information becomes available, which would indicate the uncollectibility of the particular receivable. At December 31, 2011, none of the receivables were considered to be uncollectible.

**I. Capital Assets**

Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. If applicable, donated assets are recorded as capital assets at their estimated fair market value at the date of donation. Depreciation of all exhaustible capital assets used by the District Attorney are charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Assets. Depreciation is computed using the straight-line method over the estimated useful life of the assets, generally 5 to 10 years for movable property such as furniture and fixtures, equipment, and vehicles. The accompanying financial statements do not include property and equipment purchased by the Police Jury of Washington Parish nor by the Parish Council of St. Tammany for the District Attorney. This property and equipment is included in the financial records of those respective entities. It is the policy of the District Attorney to capitalize all capital assets with an acquisition cost exceeding \$5,000.

**J. Compensated Absences**

Annual and sick leave for professional staff members is granted at the discretion of the District Attorney. Clerical employees are paid principally by the parish governing authorities of St. Tammany and Washington Parishes. Annual and sick leave for clerical employees is in accordance with leave policies of the respective parishes. At December 31, 2010, the District Attorney had no accumulated and vested employee leave required to be reported in accordance with Governmental Accounting Standards Board Statement benefits No. 16 (GASB 16).

**K. Post Employment Insurance**

The District Attorney's does not provide health insurance for its employees. Health insurance benefits are paid by the governing authorities of St Tammany and Washington Parishes. Any other insurance benefits paid by the District Attorney's office are at the sole discretion of the District Attorney. Therefore, there is no post employment liability required to be reported in accordance with Governmental Accounting Standards Board Statement No. 45 (GASB 45).

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

**L. Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

**M. Subsequent Events**

The subsequent events of the District Attorney of the 22<sup>nd</sup> Judicial District were evaluated through the date the financial statements were available to be issued which is June 22, 2012

**N. Fund Equity**

For 2011 The District Attorney implemented the requirements of Governmental Accounting Standards Board (GASB) Statement No. 54 – Fund Balance Reporting and Governmental Fund – Type Definitions. In accordance with this statement, in the fund financial statements, fund balances of the governmental fund types are now categorized into one of five categories – Non-spendable, Restricted, Committed, Assigned or Unassigned.

While the District Attorney has not established a policy for its use of unrestricted fund balance, it does consider that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**NOTE 2 – DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**A. Deposits with Financial Institutions**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the District Attorney may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the District Attorney may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associates and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**A. Deposits with Financial Institutions - Continued**

Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These pledged securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping mutually acceptable to both parties. The deposits at December 31, 2011 that were secured are as follows:

	Cash	Certificates of Deposit	Total
Deposits in bank accounts per balance sheet:	\$ 464,825	\$ 821,613	\$1,286,438

The following is a breakdown of deposits at December 31, 2011 by banking institution:

Category 1:

<u>Banking Institution</u>	
Resource Bank	\$ 779,815
Capital One Bank	25,553
Iberia Bank	50,063
Central Progressive Bank	154,212
American Bank & Trust	110,736
Community State Bank	<u>166,059</u>
Total	<u>\$1,286,438</u>

**B. Investments**

At December 31, 2011, the District Attorney had no investments.

**C. Seized Assets Held**

There were no seized assets held in the General or Special Revenue Funds in 2011.

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 3 – ACCOUNTS RECEIVABLE**

The following is a summary of accounts receivable at December 31, 2011:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
Fees, Fines and charges for services	\$ 63,183	\$ -	\$ 63,183
Intergovernmental Revenues	<u>-</u>	<u>2,075</u>	<u>2,075</u>
Total	<u>\$ 63,183</u>	<u>\$ 2,075</u>	<u>\$ 65,258</u>

**NOTE 4 – CAPITAL ASSETS**

A summary of District Attorney of the Twenty-Second Judicial District of the State of Louisiana's capital assets at December 31, 2011 follows:

	<u>Balance Dec. 31, 2010</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance Dec. 31, 2011</u>
Capital Assets				
Automobile	\$ 498,709	\$ -	(\$ 50,446)	\$ 488,263
Leasehold Improvements	122,355	-	-	122,355
Equipment, Furniture & Fixtures	<u>722,411</u>	<u>27,948</u>	<u>( - )</u>	<u>750,359</u>
Total Capital Assets	1,343,475	27,948	( 50,446)	1,320,977
Less accumulated depreciation	<u>(1,146,705)</u>	<u>( 84,181)</u>	<u>50,446</u>	<u>(1,180,440)</u>
Total Capital Assets, net	<u>\$ 196,770</u>	<u>(\$ 56,233)</u>	<u>(\$ - )</u>	<u>\$ 140,537</u>

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 5 – PENSION PLANS**

The District Attorney participates in two cost-sharing, multiple employer, public employees retirement systems (PERS). The district attorney and assistant district attorneys are members of the District Attorney's Retirement System. Other personnel of the district attorney's office are members of the Parochial Employees Retirement System of Louisiana, Plan A. These retirement systems are cost-sharing, multiple employer, statewide retirement systems which are administered by separate boards of trustees. The contributions of participating agencies are pooled within each system to pay the accrued benefits of their respective participants. The contribution rates are approved by the Louisiana Legislature.

**A. District Attorneys' Retirement System**

Following is a summary of the District Attorney's Retirement System for the most recent valuation date, which was December 31, 2010:

Actuarial Value of Plan Assets	\$238,147,626
Funded Ratio	84.74%
Unfunded Actuarial Accrued Liability	None

1) Amount of the District Attorney Current Year Covered Payroll	\$ 798,597
Amount of the District Attorney Current Year Total Payroll	\$ 798,597

- 2) The District Attorney and Assistant District Attorneys are members of the Retirement System.

Retirement benefits are equal to 3% of the members average fund compensation multiplied by the number of years of their membership service, not to exceed 100% of their average final compensation.

A participant may retire after ten (10) years of creditable service and 60 years of age or older, at age 55 with 18 years creditable service, or at age 50 with 23 years of creditable service.

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 5 – PENSION PLAN – CONTINUED**

**A. District Attorneys' Retirement System - Continued**

For members who joined the System after July 1, 1990, or who elected to be covered by the new provisions the following applies: Members are eligible to receive normal retirement benefits if they are age 50 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5 percent of the member's final average compensation multiplied by years of membership service. A member is eligible for early retirement if they are age 55 and have 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced by 3 percent for each year the member retires in advance of normal retirement age. Benefits may not exceed 100 percent of average final compensation. The System also provides death and disability benefits. Benefits are established or amended by state statute.

- 3) The District Attorney Retirement System was created by provision of Act 91 of the 1950 Legislature, as amended, up to and including Act 256 of 1986 and required the following provisions:

The District Attorney's contribution of the covered Payroll varies for year to year. It was 9% for 2011. Contributions made on behalf of covered employees in 2011 were \$92,747.

The employee portion is 7% for full-time employees.

- 4) Retirement plan contributions for the year to the District Attorney Retirement System was \$60,511.
- 5) The assumptions used for valuation were the same as those utilized for the prior year.
- 6) The District Attorney System, a cost-sharing multiple-employer plan, does not conduct separate measurements of assets and pension benefit obligations for individual employers. Also, membership data is not available by individual employer. The amount shown below as the "pension benefit obligation" is the

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 5 – PENSION PLAN – CONTINUED**

**A. District Attorneys' Retirement Systems - Continued**

standardized disclosure measure of the present value of pension  
benefits for the state-wide plan.

Active Members	757
Retirees, beneficiaries and terminated employees	465
Funded Ratio	98.01%
Unfunded Actuarial Accrued Liability	\$ None
Total net assets available for benefits	\$206,726,296

- 7) The historical trend information shall be included in the separately  
Issued District Attorney's Retirement System annual report.

**B. Parochial Employees' Retirement System**

Substantially all other employees of the Twenty-Second Judicial District are members of the Parochial Employees Retirement System of Louisiana, a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. The System is composed of two district plans, Plan A and Plan B, with separate assets and benefit obligations. All employees of the District Attorney are members of Plan A.

Following is a summary of the Parochial Employees' Retirement System:

- |  |             |
|--|-------------|
| 1) Amount of The District Attorney, Current Year Total Payroll | \$1,232,937 |
| Amount of The District Attorney, Current Year Covered Payroll  | \$ 832,870  |
- 2) All permanent employees of The District Attorney are members  
of the Retirement System.



DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 5 – PENSION PLAN – CONTINUED**

**B. Parochial Employees' Retirement System – Continued**

Retirement benefits are computed based on the highest thirty-six (36) consecutive or joined months of salary.

A participant may retire after twelve (12) years of creditable Service and 55 years of age or older, or at age 50 with 30 years of creditable services.

3) The District Attorney Parochial Employees Retirement System provision of Act 91 of the 1950 Legislature, as amended, up to and including Act 256 of 1986 and required the following provisions:

The District Attorney contributed 15.75% of the covered Payroll for 2011, which amounted to \$131,177.

The employees' portion is 9.5% for full-time employees.

4) Retirement plan contributions for the year amounted to \$61,147. These funds are remitted to the District Attorney Parochial Employees Retirement System.

5) The assumptions used for valuation were the same as those utilized for the prior year.

6) The District Attorney System, a cost-sharing multiple-employer plan, does not conduct separate measurements of assets and pension benefit obligations for individual employers. Also, membership data is not available by individual employer. The amount shown below as the "pension benefit obligation" is the standardized disclosure measure of the present value of pension benefits for the state-wide plan as of December 31, 2010 (most recent data available).

Active Members	14,255
Retirees, beneficiaries and terminated employees	13,385
Total pension benefit obligation	\$2,304,963,509
Actuarial value of plan assets	\$2,359,207,052
Total net assets available for benefits	\$2,225,041,407



DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 5 – PENSION PLAN – CONTINUED**

**B. Parochial Employees' Retirement System - Continued**

7) The historical trend information shall be included in the separately issued District Attorney's Parochial Employees' Retirement System annual report.

**NOTE 6 -INTERFUND TRANSFERS**

Operating transfers for the year ended December 31, 2011, were as follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 844,579
Special Revenue Fund	844,579	-
Total	<u>\$ 844,579</u>	<u>\$ 844,579</u>

**NOTE 7 - LEASES**

The District Attorney's office has operating leases as of December 31, 2011. The lease expenditures are as follows:

Vehicles	\$130,860
----------	-----------

Future minimum rental commitments under operating leases are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2012	\$ 70,688
2013	48,880
2014	28,390
2015	2,643
2016	0
	<u>\$150,601</u>

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA

Parishes of St. Tammany and Washington

Notes to Financial Statements - Continued  
For the Year Ended December 31, 2011

**NOTE 8 - LITIGATION**

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana was not involved in any litigation, nor is he aware of any unasserted claims at December 31, 2011.

**NOTE 9 - CLAIMS AND JUDGEMENTS**

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the District Attorney may be required to reimburse the grantor government. The District Attorney believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District Attorney.

**NOTE 10 - RISK MANAGEMENT**

The District Attorney of the Twenty-Second Judicial District of the State of Louisiana is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District Attorney maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to provide any significant uninsured losses to the District Attorney.

## SUPPLEMENTAL INFORMATION

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington  
STATEMENT OF FIDUCIARY NET ASSETS  
December 31, 2011

	Statement E
	<u>Agency Funds</u>
ASSETS	
Cash and Cash Equivalents	\$ 570,834
	<hr/>
TOTAL ASSETS	<u>\$ 570,834</u>
LIABILITIES	
Due To Other Governmental Units	\$ 570,837
	<hr/>
TOTAL LIABILITIES	<u>\$ 570,837</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington

Combined Statement of Revenue, Expenditures, and Changes in  
Fund Balances - Budget (GAAP Basis) and Actual  
General and Special Revenue Funds  
For the Year Ended December 31, 2011

	General Fund				Special Revenue Funds			
	Original Budget	Amended Budget	Actual	Variance	Original Budget	Amended Budget	Actual	Variance
REVENUE								
Commissions on fines and forfeitures	\$ 1,000,000	\$ 900,000	\$ 880,130	\$ (19,870)	\$ -	\$ -	\$ -	\$ -
Use of money and property-interest	12,000	12,000	7,757	(4,243)	500	500	400	(100)
Grant from Louisiana Department of Social Services:				-				
Reimbursement of administrative costs	-	-	-	-	1,300,000	1,200,000	1,184,807	(15,193)
Grant - Law Enforcement	-	-	-	-	62,500	62,500	44,586	(17,914)
Grant - Victim Assistance Program	-	-	-	-	150,000	150,000	137,062	(12,938)
Grant - Juvenile Comm. Svc. Program	-	-	-	-	-	-	-	-
Grant - Fatherhood	-	-	-	-	-	-	-	-
Grant - Hurricane Katrina-Infrastructure	-	-	-	-	-	-	-	-
Grant - Article 562 Grant	-	-	-	-	-	-	-	-
Grant - Elder Abuse	-	-	-	-	-	30,000	32,273	2,273
Grant - Career Criminal	-	-	-	-	10,500	10,500	5,343	(5,157)
Fees - Fees account	-	-	-	-	180,400	150,000	143,647	(6,353)
Fees from various entities	186,500	186,500	189,811	3,311	-	-	-	-
Diversionary program	100,500	100,500	88,815	(11,685)	886,000	675,000	663,536	(11,464)
Other revenue	22,000	22,000	21,528	(472)	62,500	50,000	48,015	(1,985)
Asset forfeiture revenue	75,000	75,000	69,543	(5,457)	-	-	-	-
Bond forfeiture	139,000	200,000	238,015	38,015	-	-	-	-
Gain on disposition of assets	-	-	7,550	7,550	-	-	-	-
Total Revenue	\$ 1,535,000	\$ 1,496,000	\$ 1,503,149	\$ 7,149	\$ 2,652,400	\$ 2,328,500	\$ 2,259,669	\$ (68,831)

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington

Combined Statement of Revenue, Expenditures, and Changes in  
Fund Balances - Budget (GAAP Basis) and Actual  
General and Special Revenue Funds  
For the Year Ended December 31, 2011

	General Fund			Special Revenue Funds		
	Original Budget	Amended Budget	Actual	Variance	Original Budget	Amended Budget
<b>EXPENDITURES</b>						
General Government - Judicial:						
Salaries and related benefits	\$ 262,500	\$ 262,500	\$ 251,610	\$ (10,890)	\$ 2,523,000	\$ 2,800,000
Travel	1,200	1,200	1,089	(111)	32,500	32,500
Materials and supplies:						
Office	147,200	147,200	165,555	18,355	66,000	66,733
Automobile	259,100	259,100	284,111	25,011	(4,300)	(3,211)
Capital expenditures	-	-	16,568	16,568	-	11,380
Other expenditures	268,800	268,800	265,117	(3,683)	120,400	176,681
<b>Total Expenditures</b>	<b>938,800</b>	<b>938,800</b>	<b>984,050</b>	<b>45,250</b>	<b>2,737,600</b>	<b>3,074,200</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES</b>	<b>\$ 596,200</b>	<b>\$ 557,200</b>	<b>\$ 519,099</b>	<b>\$ (38,101)</b>	<b>\$ (85,200)</b>	<b>\$ (890,214)</b>
						<b>\$ (144,514)</b>

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington

Combined Statement of Revenue, Expenditures, and Changes in  
Fund Balances - Budget (GAAP Basis) and Actual  
General and Special Revenue Funds - Continued  
For the Year Ended December 31, 2011

	General Fund			Special Revenue Funds		
	Original Budget	Amended Budget	Actual	Variance	Original Budget	Amended Budget
OTHER FINANCING SOURCES (USES)						
Operating Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfer Out	(100,000)	(800,000)	(844,579)	(44,579)	-	-
Total Other Financing Sources (Uses)	(100,000)	(800,000)	(844,579)	(44,579)	-	844,579
EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	\$ 496,200	\$ (242,800)	\$ (325,480)	\$ (82,680)	\$ (85,200)	\$ 54,300
FUND BALANCES AT BEGINNING OF YEAR			1,377,177			149,100
FUND BALANCES AT END OF YEAR			\$ 1,051,697			\$ 103,465

DISTRICT ATTORNEY OF THE TWENTY-SECOND JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington

FIDUCIARY FUND TRUST

Schedule of Changes in the Balance of Restitution to Victims  
For the Year Ended December 31, 2011

<u>BALANCE AT BEGINNING OF YEAR</u>	\$ 63,329
<u>ADDITIONS</u>	
Collections:	
Restitution payments	87,468
Restitution collected - Juvenile	-
Restitution fees	14,394
Diversionary payments & fees	40,185
Interest income	96
	<hr/>
Total additions	142,143
<u>REDUCTIONS</u>	
Settlements:	
Restitution - victims	83,932
Restitution - unclaimed	7,658
Restitution paid - Juvenile	-
Fees Special Revenue Fund	14,088
Diversionary payments & fees	18,941
Bank charges	-
	<hr/>
Total reductions	<hr/> 124,619
<u>BALANCE AT END OF YEAR</u>	<u>\$ 80,853</u>



DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2011

<u>Federal/Grantor Pass-Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Federal Expenditures</u>
U.S. Department of Health and Human Services:			
Pass-Through State Department of Social Services; Child Enforcement Services:	93.563	DOA 355201076 DSS CFMS 574381	<u>\$ 1,184,807</u>
Total U.S. Dept of Health and Human Services			<u>\$ 1,184,807</u>
U.S. Department of Justice:			
Pass-Through Louisiana Commission on Law Enforcement;			
Violent Crime Prosecution	16.579	B025-032	\$ 5,343
Victim Assistance Program	16.575	C-01-7-010	137,062
Elderly Victims of Crime	16.575	C-04-5-02L	32,273
Domestic Violence Program	16.588	M03-7-004	<u>44,586</u>
Total U.S. Dept of Justice			<u>\$ 219,264</u>
TOTAL FEDERAL AWARDS			<u><u>\$ 1,404,071</u></u>

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE A - Basis of Presentation

The Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting. Federal pass through funds are presented by the entity through which the organization received the federal financial assistance.

# Justin J. Scanlan, C.H.A., L.L.C.

A LIMITED LIABILITY COMPANY

4769 ST. ROCH AVE.

NEW ORLEANS, LOUISIANA 70122

TELEPHONE: (504) 288-0050

## REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

### Independent Auditor's Report

The Honorable Walter P. Reed  
District Attorney of the Twenty-Second Judicial District  
State of Louisiana  
Parishes of St. Tammany and Washington

We have audited the financial statements of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana, as of and for the year ended December 31, 2011 and have issued our report thereon dated June 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Internal Control Over Financial Reporting

Management of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District Attorney of the Twenty-Second Judicial District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District Attorney of the Twenty-Second Judicial District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District Attorney of the Twenty-Second Judicial District's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the entity, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Justin J. Scanlon, CPA, LLC*

New Orleans, Louisiana  
June 22, 2012

# Justin J. Scanlan, C.H.A., L.L.C.

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

### Independent Auditor's Report

The Honorable Walter P. Reed  
District Attorney of the Twenty-Second Judicial District  
State of Louisiana  
Parishes of St. Tammany and Washington

### Compliance

We have audited the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's major federal programs for the year ended December 31, 2011. The District Attorney of the Twenty-Second Judicial District of the State of Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's management. Our responsibility is to express an opinion on the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's compliance with those requirements.

In our opinion, the District Attorney of the Twenty-Second Judicial District of the State of Louisiana complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2011.

#### Internal Control Over Compliance

Management of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District Attorney of the Twenty-Second Judicial District of the State of Louisiana's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above.

This report is intended solely for the information and use of management, others within the entity, the Louisiana Legislative Auditor, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Justin J. Scanlon, CPA, LLC*

New Orleans, Louisiana  
June 22, 2012

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington

SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
For the year ended December 31, 2011

**Section I – Summary of Auditor's Results**

*Financial Statements*

Type of auditor's report issued: *Unqualified*

Internal control over financial reporting:

- 1) Material weakness(es) identified?      ☐ yes      ☒ no
- 2) Significant deficiency(ies) identified:      ☐ yes      ☒ none reported

Noncompliance material to financial  
Statements noted?      ☐ yes      ☒ no

*Federal Awards*

Internal control over major programs:

- 1) Material weakness(es) identified?      ☐ yes      ☒ no
- 2) Significant deficiency(ies) identified?      ☐ yes      ☒ none reported

Type of auditor's report issued on compliance  
For major programs      *Unqualified*

Any audit findings disclosed that are required  
To be reported in accordance with Section  
510(a) of OMB Circular A-133?      ☐ yes      ☒ no

DISTRICT ATTORNEY OF THE TWENTY-SECOND  
JUDICIAL DISTRICT  
STATE OF LOUISIANA  
Parishes of St. Tammany and Washington

SCHEDULE OF FINDINGS AND QUESTIONED COSTS – CONTINUED  
For the year ended December 31, 2011

**Section I – Summary of Auditor's Results (continued)**

Identification of major programs:

Reporting Requirements and Communication Considerations

CFDA Number(s)

Name of Federal  
Program or Cluster

---

#93.563 U.S. Department of Health & Human Services  
Child Enforcement Services

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Dollar threshold used to distinguish between  
Type A and type B programs:

\$ 300,000

Auditee qualified as low-risk auditee?

\_\_\_\_yes                        X  no

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**Section II – Financial Statement Findings**

*None*

**Section III – Federal Award Findings and Questioned Costs**

*None*

**Section IV – Status of Prior Year Audit Findings**

*There were no prior year audit findings*